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RUEHAM/AMEMBASSY AMMAN PRIORITY 4828
RUEHAK/AMEMBASSY ANKARA PRIORITY 5260
RUEHLB/AMEMBASSY BEIRUT PRIORITY 4472
RUEHEG/AMEMBASSY CAIRO PRIORITY 2837
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 5233
RUEHLO/AMEMBASSY LONDON PRIORITY 2094
RUEHFR/AMEMBASSY PARIS PRIORITY 0319
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RUEHRO/AMEMBASSY ROME PRIORITY 6551
RUEHRH/AMEMBASSY RIYADH PRIORITY 1475
RUEHTU/AMEMBASSY TUNIS PRIORITY 5566
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7537
RUEHJI/AMCONSUL JEDDAH PRIORITY 0394
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0557
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RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 002255

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

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E.O. 12958: N/A
TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

¶2. Iran

Key stories in the media:

The media reported that the index of the Tel Aviv Stock Exchange dropped by 4.5% yesterday. Both Yediot and Maariv listed the losses sustained by the richest Israelis. Maariv bannered: QThe black day

of IsraelQs wealthy.Q The media noted that the rate of the dollar rose on the Israeli money market, while that of the euro plummeted. Leading media quoted the Anti-Defamation League as saying yesterday that the worldwide financial meltdown has triggered an uptick in anonymous anti-Semitic comments blaming Jews for the crisis on mainstream Web site message boards.

HaQaretz and Maariv cited the London-based Ash-Sharq Al-Awsat, which quoted senior Israeli military officials as saying yesterday that Syria has resumed its nuclear program, and that last weekQs car bombing in Damascus, which killed 17 people, was aimed at a senior official involved in that program. The Israeli officials were also quoted as saying that Jerusalem would use force to halt the program's progress. The Arabic-language paper quoted the Israelis as saying that Syria is following the Iranian model by spreading its nuclear development across several sites. The program is based on knowledge obtained from North Korea, the report added, and a team of North Korean nuclear experts visited Syria recently to help with the project. The Jerusalem Post cited the views of at least two Syria experts skeptical of the Ash-Sharq Al-Awsat report. In another development, HaQaretz quoted Colonel (ret.) Timothy J. Geraghty, the commanding officer of the Marine unit devastated by the suicide bombing of its barracks near Beirut in 1983, as saying that the assassination of senior Hizbullah operative Imad Mughniyah in Damascus in February was "long overdue justice." In an article in Proceedings Magazine, the flagship publication of the U.S. Naval Institute, Geraghty said that Mughniyah was a key organizer in the two devastating suicide bombings that day.

The Jerusalem Post quoted a senior Israeli diplomatic official as saying yesterday that Jerusalem has no problem with the U.S. engaging in dialogue in Damascus. The official was responding to questions regarding two U.S.-Syrian meetings held on the margins of the UN General Assembly in New York earlier this week.

Maariv reported that over the next two months the IDF will build two giant antennas near Dimona as part of the defense plan against potential Iranian aggression. Their planned height will be around 400 m.

HaQaretz reported that yesterday the Tel Aviv District Court, following a plea bargain, sentenced the key witness in the trial of former finance minister Abraham Hirchson to four years and eight months in prison for theft and fraud. Ovadia Cohen, a Hirchson confidant, admitted stealing 10 million shekels (around $ 2.86 million). The State Prosecutor's Office is also demanding a similarly severe sentence for Hirchson if convicted.

Yediot reported that Israeli citizens may soon be exempted from the need to obtain a visa for travel to the U.S., provided Israel meets certain conditions, including the issuance of biometric passports. The newspaper reported that yesterday Interior Minister Meir Sheetrit reached an agreement on the issue with Homeland Security Secretary Michael Chertoff and Deputy Secretary of State John Negroponte.

Israel Radio reported that Sen. Joe Biden and Gov. Sarah Palin defended Israel with equal vigor during last nightQs vice-presidential debate.

Leading media reported that yesterday outgoing PM Ehud Olmert refused to answer police investigators' questions about the double-billing case, saying he had not been informed of their intent to continue collecting evidence in this matter. The case involves suspicions that Olmert, in his previous posts as minister of Industry, Trade and Labor and Mayor of Jerusalem, financed private flights for himself and his family by double-billing several nonprofit agencies for the same work-related flight.

The Jerusalem Post reported that Israel will be Qcarefully watching Friday's meeting of the International Atomic Energy Agency General Conference in Vienna to see whether the UN's atomic watchdog will admit Syria to its Board of Governors. Syria's bid got a boost when Iran dropped out of the running on Wednesday, apparently after realizing that its chances of winning a seat were slim.

HaQaretz, The Jerusalem Post, and Israel Radio cited police suspicions that right-wing extremists set fire to two Palestinian

olive groves near the northern West Bank village of Kadum yesterday. The fires broke out shortly after the security services demolished two structures in the nearby illegal outpost of Shvut Ami B. Police arrested two young men, both residents of settlements in the southern West Bank, on suspicion of starting the blaze. The men had taken refuge in the house of former Kedumim mayor Daniella Weiss, who was herself detained for allegedly striking a police officer. She and her husband were also questioned on suspicion of abetting the arsonists.

The Jerusalem Post reported that, out of concern that Israel could be labeled a proselytizing nation, the Justice Ministry this week asked Chief Sephardi Rabbi Shlomo Amar to stop converting citizens of foreign countries, but that Amar is reluctant to agree.

Leading media reported that a Qrickshaw paradeQ will take place in Bangkok today to demand the release of Gilad Shalit.

Makor Rishon-Hatzofe quoted Al Jazeera-TV as saying that chief Palestinian negotiator Ahmed Qurei said last Friday that he does not believe that Fatah can reconquer Gaza from Hamas.

Major media reported that Aryeh Deri, the charismatic former Shas chairman, who had high hopes of returning to political life by winning next monthQs Jerusalem mayoral elections, was told yesterday by the Jerusalem District Court that he cannot run. Maariv quoted associates of incumbent Jerusalem Mayor Uri Lupoliansky as saying that, following the ruling, rabbis are again considering supporting him in the mayoral race.

Yediot reported that dozens of organizations seeking peace in the Middle East recently convened in Pisa, Italy, with the goal of creating confidence. The newspaper noted that the spirit of the meeting was: no politicians, no Americans.

Yediot reported that Israeli supporters of Barack Obama have created a clip on YouTube to Qfight lies disseminated by Republicans among Jewish voters in the U.S., which present Obama as bad for Israel.

HaQaretz reported that recently declassified CIA documents reveal that the PLO and the U.S. used diplomatic channels in Kuwait and Beirut to discuss a possible political settlement in the Middle East, 25 years before official negotiations began.

HaQaretz (English Ed.) reported that a small but growing number of Jewish Israeli women are traveling to the U.S. to donate their eggs to infertile Jewish couples undergoing in vitro fertilization Q a trend that some say strengthens Jewish continuity but also raises serious moral questions about the commercialization of fertility.

¶1. Mideast:

Summary:

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz: QAlthough the two presidential candidates want the Jewish vote, they will not put the Israeli-Palestinian conflict at the top of their foreign policy agendas. That makes it doubly important for us to have a stable government capable of putting forward a serious peace plan. What we don't do, nobody is going to do for us. We must get ready for a year without America.

Block Quotes:

"A Year without America"

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz (10/3): QWith the approach of the

U.S. presidential elections next month, America's order of priorities is liable to change. The next man in the White House will devote himself first and foremost to the economic crisis and its repercussions. Another matter high on the new president's agenda will be making good on promises to pull American soldiers out of Iraq and Afghanistan. And now, as the government of nuclear Pakistan totters and a hotel belonging to the American Marriott chain was blown sky high, even Obama has made it clear that the U.S. Army will fight the Taliban on the Pakistani border if necessary. Although the two presidential candidates want the Jewish vote, they will not put the Israeli-Palestinian conflict at the top of their foreign policy agendas. That makes it doubly important for us to have a stable government capable of putting forward a serious peace plan. What we don't do, nobody is going to do for us. We must get ready for a year without America.

¶2. Iran:

Summary:

The conservative, independent Jerusalem Post editorialized: QWhat it can do is draw world attention to key threats, and demand concerted international focus. That is precisely what it is now doing in the case of Iran.

Block Quotes:

"Sounding the Alarm"

The conservative, independent Jerusalem Post editorialized (10/3): QThe IAEA has been trying to establish the true nature of Iran's nuclear program for the past six years, without definitive success. Its mission, always complicated, was made still harder when Iran limited IAEA inspectors' access to its nuclear facilities after the matter was referred to the UN Security Council two years ago. Iran is now threatening to limit IAEA access still further, following the latest Security Council demand that it suspend its uranium enrichment process.... Resisted by the regimes its inspectors attempt to probe, the IAEA is fighting an uphill battle as it bids to prevent rogue nations from achieving their nuclear goals. What it can do is draw world attention to key threats, and demand concerted international focus. That is precisely what it is now doing in the case of Iran.

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